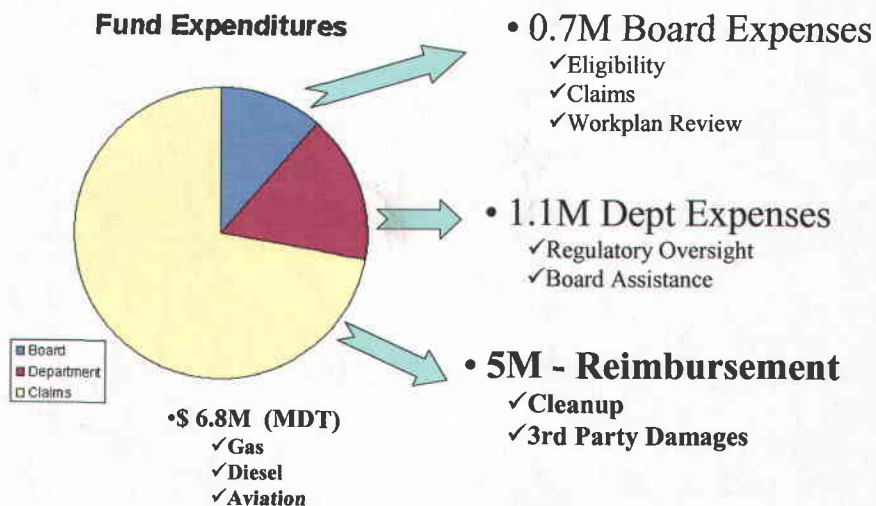
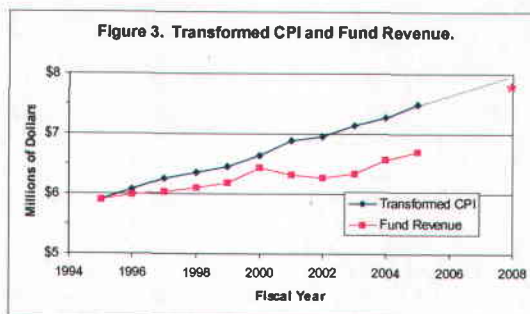


PTRC Fund



75-11-314

Fund Buying Power



— Projected CPI
 * Estimated Revenue due to fee change (\$0.0075 to \$0.01)

Time-Line

2003 Legislation

Fund Management Changes

2003 Legislative Audit

10 Recommendations

2005 Legislation (SB145)

Membership (audit)

Eligibility Criteria (→ Reimbursement)

Powers & Duties (audit) (Lead to Fund Evaluation & Biennial Report)

2006 Biennial Report

Identified Challenges

2007 Legislation (Died)

Increase Owner/Operator Cost Sharing

Cap Department Administrative Costs

Encourage Insurance

Temporary Fee Increase

2009 Legislation (Draft)



Legislative Audit Report

November 2003

1. Role to include analysis of fund & Review Liability exposure (2005 Legislation)
2. Change Membership (2005 Legislation)
3. Staff Make Fund Management Recommendations:
 - a) Future fund liability projections and Methodology. (2009 Legislation)
 - b) Site prioritization and closure.
 - c) Regulation and financial assurance for aboveground storage tanks. (2009 Legislation)
4. Document Decision Making (2003 Board Directive)
5. Eligibility Review Designated to Staff (2003 Board Directive)
6. Responsibility Designation (a, b, & c - Dept Initiative)
7. Strengthen Compliance Procedures (a, b, c & d - Dept Initiative)
8. Strengthen Corrective Action Procedures (2003/2004 Dept & Board Directive)
9. Develop Cost Ceilings for Tasks (developed in 2003 with ongoing enhancement)
10. Steps to Transition to Private Insurers (Legislative Directive, 2009 Legislation)



Biennial Report July 2006

- Fee revenues exhibited increase \approx \$70,000/yr
- Annual revenue increase $<$ CPI (i.e. less buying power)
- No discernable trend exhibited in claim expenditures
- Number of "discovered releases" is trending down
- Closing bulk facilities on radar screen = cleanup?
 - Federal regulations
 - Operational considerations
- Insurance is becoming affordable for a "NEW INCIDENT"
 - Preexisting contamination insurance cost prohibitive
- Intent of the Fund
 - Important for Historical contamination
 - Beneficial for NEW INCIDENT

2007 Proposed Legislation

- **75-11-307 Increase Owner/Operator Cost Sharing**
 - ☐ **Encourage Insurance**
Credit Insurance coverage for O/O Cost Sharing
 - ☐ **Single wall tank systems** (starting Oct 1, 2007)
 - 50% of 1st \$35,000
 - 10% of next \$65,000
 - 5% of remaining costs
 - ☐ **Double wall tank systems** (starting Oct 1, 2007)
 - 10% of next \$100,000
 - 5% of remaining costs
- **75-11-313 Cap Department Administrative Costs**
15% of Fee Revenue
- **75-11-309 "Immediate"** (house keeping)
In a manner required by Law or Rule
- **75-11-314 Temporary Fee Increase** (CPI vs Fee Revenue)
0.0075 \rightarrow 0.01 cent for each gallon
from July 1, 2007 - June 30, 2009

2009 Drafted Legislation

- **UST w/ Permit (75-11-509)**
 - Cost Cap of \$1million
 - 50% of \$50K + 5% of remaining
- **AST Inspected / Compliant**
 - Cost Cap of \$1million
 - 50% of \$50K + 5% of remaining
- **“All Other” PST’s**
 - Cost Cap of \$250,000
 - 50% of \$50K + 5% of remaining
 - In compliance with Applicable
 - Properly Notified
 - Properly closed
- **Increase Fee**
 - ¼ cent
- **Removal of Administrative Costs**
- **Fund Balance Controls**
 - Increase floor from 4M to 6M
 - Increase ceiling from 7M to 10M
- **House Keeping**
 - Co-mingled Plume
 - Judicial Action
- **Insurance Incentive**
- **Single Wall = Double Wall**